

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:639

ANSWERED ON:28.07.2006

CLOSURE OF PANCHMAHAL DISTRICT COOPERTIVE BANK

Solanki Shri Bhupendrasinh Prabhatsinh

Will the Minister of FINANCE be pleased to state:

- (a) whether The Panchmahal District Cooperative Bank in the State of Gujarat is lying closed ;
- (b) if so, the date of closure and the steps taken by the Govenuhent to revive the said bank
- (c) whether the Government has made alternative arrangements due to closure of the said bank to provide loan to the farmers; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)&(b) : The Panchmahal District Central Cooperative Bank is not closed. However, in view of highly unsatisfactory state of affairs of the bank, certain directions have been imposed by Reserve Bank of India under Section 35-A of the Banking Regulation Act, 1949(AACS).

(c)&(d) : During the year 2003-04, the Gujarat State Cooperative Bank (GSCB) had arranged for disbursement of Rs.696.04 lakh for crop loans to eligible farmers of non-defaulting Primary Agriculture Credit Societies (PACS) in the area. For subsequent years, the Lead Bank, Regional Rural Banks (RRBs) and Commercial Banks were asked in the District Level Consultative Committee (DLCC) to take care of such needs. The Panchmahal DCCB also financed in a limited way in terms of amended RBI directives. An amount of Rs.38.87 crores in 2003-04, Rs.68.53 crores in 2004-05 and Rs.69.35 crores in 2005-06 was disbursed to Agriculture and Allied Sector in the District.